



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

- MAYBERRY, J. L. *Rules governing the delivery, registration and transfer of stocks and bonds.* (Westfield, N. Y.: Westfield Leader Press. 1913. Pp. 16. 30c.)
- MOXEY, E. P., JR. *Principles of factory cost keeping.* (New York: Ronald Press. 1913. Pp. 102. \$1.)
- PAINE, P. M. and STROUD, B. K. *Oil production methods. With a chapter on accounting systems,* by W. F. and W. B. SAMPSON. (San Francisco: Western Engg. Pub. Co. 1913. Pp. 239. \$3.)
- RICHARDSON, A. P. *The influence of accountants' certificates on commercial credit.* (New York: Am. Assoc. of Public Accountants. 1914. Pp. 99. 50c.)
- SMITH, C. W. and THOMAS, S. M. *Farm accounts.* (Philadelphia: Laurel Book Co. 1913. Pp. 82. 30c.)
- THOMSON, H. C. *Patents, trade-marks, design patents.* (Boston: Bellevue Pub. Co. 1913. Pp. 372. \$5.)
- Arbitration records, 1779-1792.* Chamber of Commerce, State of New York. (Privately printed.)
- The commercial law of Great Britain and Ireland.* Two volumes. (London: Sweet & Maxwell. 1914. £2. 2s.)
- An ice accounting system, devised and recommended to all ice dealers.* (New York; Natural Ice Assoc. of America. 1913. Pp. 52. \$10.)
- The library of business practice.* Ten volumes. (Chicago: A. H. Shaw Co. 1914.)
- List of books on accounting and budget making in the library.* (New York: Municipal Reference Library. 1913.)
- Three hundred investment terms explained.* (London: Financial Review of Reviews. 1914. 1s.)
- The year book of American securities.* Sixth edition. (New York: Gibson Pub. Co. 1914. \$10.)

Capital and Capitalistic Organization

- Foreign Companies and Other Corporations.* By E. HILTON YOUNG. (Cambridge: Cambridge University Press, 1912. Pp. xii, 332.)

The author of this scholarly book is a barrister-at-law and city editor of *The Morning Post*. His theme is an important topic in the field of private international law or what in America has more frequently been called the "conflict of laws." The first half of the book is devoted to a general analysis of the principles relating to the status of foreign corporations in both civil-law and common-law jurisdictions, while its second half sets forth in more detail

the actual status of such corporations in English law. Although juristic in scope and method, yet, dealing as it does with the fundamental grounds upon which a state or nation may withhold or grant recognition to the corporations of another jurisdiction, the book is of distinct importance to economists. Aside from the practical significance of these matters in relation to the control of corporate activity, there is the further consequence that their consideration brings into sharp relief the various issues respecting the fundamental legal nature of a corporation.

The continental juristic writers who have wrestled with these problems are aligned in two groups: on the one hand, those who uphold the "restrictive system," according to which a corporation is incapable of being recognized as a person outside the state of its origin; and, on the other hand, the supporters of the "liberal system," who hold that foreign juristic persons are entitled to legal recognition in the same manner as natural persons. The restrictive theory is an outgrowth of the "fictitious person" concept of a corporation, rooted in both Roman and common law, while the liberal theory is, historically at least, similarly bound up with the Germanic "real person" notion of a corporation. Mr. Young, in an elaborate and subtle analysis, claims for the liberal system superiority in both logical coherence and practical consequences.

So far as practical consequences are concerned there is hardly so much difference between the two systems as might be supposed. The logic of the restrictionists has to be elastic enough to provide some sort of civil status for foreign corporations, whether by express recognition on the part of the state or otherwise, while even the most extreme advocates of the liberal theory have to make room for the admitted subordination of the powers and functions of a foreign corporation to the public policy of the state. Yet substantial differences remain. Take, for example, the matter of domicile. By the restrictive theory a corporation's domicile is, of course, in the state of its origin. Shaping his analysis in accordance with the logic of the liberal system Mr. Young holds that a corporation should be considered as domestic in the country or state in which the actual center of business activity is located. It seems fairly obvious that an acceptance of this principle would in practice lead to much confusion. It might fairly be argued, moreover, that if the "reality" of corporate personality be conceded, there is no logical reason why a corporation should be restricted, like a natural person, to one domicile, but should be

considered a domestic corporation wherever it has an office (as distinguished from a mere agency). In this case the problems of jurisdiction in such matters as taxation would be extremely complex.

Nowhere else is the problem of the foreign corporation so complex as in the United States, with its half-a-hundred corporation-making sovereignties. Mr. Young points to the status of our law on these matters as an example of the restrictive system at its exceedingly illogical worst. So far as the details of our law are concerned, his account, based as it is on a first-hand study of decisions, is probably sufficiently accurate. But although the reviewer claims no special competence in these matters, he hazards the opinion that Mr. Young's statements of the general principles of our law are of questionable accuracy. It is true that the early decisions in many of our jurisdictions were narrowly "restrictive." It is also true that our courts have been forced by the growth of corporate activities to let down the bars so that foreign corporations, in default of express statutory restrictions, may enjoy the ordinary legal rights and exercise their normal business functions. But in so doing the courts have not tried to cling so persistently to the logic of the restrictive system as Mr. Young intimates. The fiction of "interstate comity," fathered by Story and Taney, is no longer an essential factor in the situation. In very general terms it may be said that while our law still views a corporation as a fictitious or artificial thing so far as the mode of its coming into being is concerned, when once created its existence is to be admitted as a fact by other states as well as the state creating it. And the most common restriction which our states put upon a foreign corporation—that it shall be "found" for purposes of litigation in any state in which it does business—is in itself distinctly a recognition of more than a rigidly fictitious juristic "personality."

This does not mean the recognition of anything like the "real person" concept of a corporation, for this would be unmanageable and (from the point of view of public control) even dangerous. The general trend of American decisions is toward a less rigid use of any sort of analogy between the corporation conceived as an abstract whole and a natural person and a greater emphasis upon the particular privileges, rights, and duties pertaining to its various concrete parts.

ALLYN A. YOUNG.

Cornell University.